

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

KARI MORELL

ENTERED
Office of Proceedings
JUL 22 2009
Part of
Public Record

kmorell@bjllp.com

July 22, 2009

225396

BY HAND DELIVERY

Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street S.W.
Washington, DC 20423

FEE RECEIVED
JUL 22 2009
SURFACE
TRANSPORTATION BOARD



Re: STB Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc. – Abandonment Exemption – In Latah County, Idaho

Dear Acting Secretary Quinlan:

Attached for filing are the original and ten copies of a Notice of Exemption under 49 C.F.R. 1152.50. Also attached is a check covering the \$3,700 filing fee.

Please time and date stamp the extra copy of the Notice and return it with our messenger.

If you have any questions, please call me.

Sincerely,

A handwritten signature in cursive script that reads "Karl Morell".

Karl Morell

Enclosures

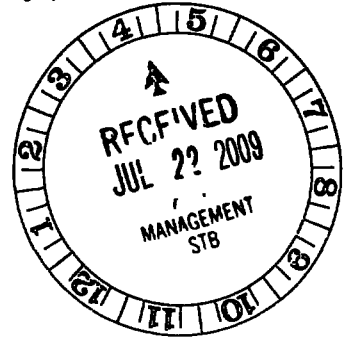
FILED
JUL 22 2009
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. AB-570 (SUB-NO. 3X)

PALOUSE RIVER & COULEE CITY RAILROAD, INC.
-- ABANDONMENT EXEMPTION --
IN LATAH COUNTY, IDAHO

NOTICE OF EXEMPTION



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Karl Morell
Of Counsel
Ball Janik LLP
1455 F St., N.W.
Suite 225
Washington, D.C. 20005
(202) 638-3307

Attorney for:
PALOUSE RIVER & COULEE CITY
RAILROAD, INC.

Dated: July 22, 2009

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. AB-570 (SUB-NO. 3X)

PALOUSE RIVER & COULEE CITY RAILROAD, INC.
-- ABANDONMENT EXEMPTION --
IN LATAH COUNTY, IDAHO

NOTICE OF EXEMPTION

Palouse River & Coulee City Railroad, Inc. ("PRCC"), files this Verified Notice of Exemption pursuant to the class exemption at 49 C.F.R. § 1152.50 to abandon three segments of its rail line in Moscow, Idaho.

1. Proposed consummation date.

The proposed consummation date is September 9, 2009.

2. Certification required by 49 C.F.R. § 1152.50(b).

The required certification is attached hereto as Exhibit A.

3. Information required by 49 C.F.R. § 1152.22(a)(1) through (4), (7), and (8), and (e)(4).

(a) General.

- (1) Exact name of applicant.

Palouse River & Coulee City Railroad, Inc.

- (2) Whether applicant is a common carrier by railroad subject to 49 U.S.C. Subtitle IV, Chapter 105.

PRCC is a common carrier by railroad subject to 49 U.S.C.

Subtitle IV, Chapter 105.

- (3) Relief sought.

PRCC seeks to use the class exemption at 49 C.F.R. § 1152.50 to abandon the three segments of its rail line located between: (1) milepost 84.0, at the Washington-Idaho State line, and milepost 85.91, in Moscow; ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street, in Moscow, Latah County, Idaho (the "Lines").¹ The Lines are approximately 2.98 miles in length. There has been no local traffic on the Lines in over two years and any overhead traffic can be rerouted over other lines.

- (4) Map.

A map depicting the trackage covered by the proposed abandonment is attached as Exhibit B.

- (7) Name, title, and address of representative of applicant to whom correspondence should be sent.

Karl Morell
Ball Janik LLP
1455 F St., N.W., Suite 225
Washington, DC 20005
(202) 638-3307

¹ The segment located between milepost 85.91 and milepost 86.11 was authorized for abandonment in STB Docket No. AB-570 (Sub-No. 2X), *Palouse River & Coulee City Railroad, Inc. – Abandonment Exemption – In Latah County, ID* (not printed), served August 17, 2007.

- (8) List of all United States Postal Service ZIP Codes that the line proposed for abandonment traverses.

The Lines traverse ZIP Code: 83843.

- (e) Rural and community impact.
- (4) Statement of whether the properties proposed to be abandoned are appropriate for use for other public purposes, including roads and highways, other forms of mass transportation, conservation, energy production or transmission, or recreation. If the applicant is aware of any restriction on the title to the property, including any reversionary interest, which would affect the transfer of title or the use of property for other than rail purposes, this shall be disclosed.

The Lines traverse a predominately urban area that has an adequate road and highway network. Therefore, there is little or no likelihood that the rail corridor is needed for a transit or highway corridor. The right-of-way may be suitable for a recreational trail. PRCC is unaware of any restrictions on the title to the property.

4. The level of labor protection.

The interests of railroad employees who may be adversely affected by the proposed abandonment will be adequately protected by the labor protective conditions in Oregon Short Line R. Co. -- Abandonment -- Goshen, 360 I.C.C. 91 (1979).

5. Certification.

Certificates of compliance with the notice requirements of 49 C.F.R. §§ 1152.50(d)(1) and 1105.11 are attached as Exhibit C.

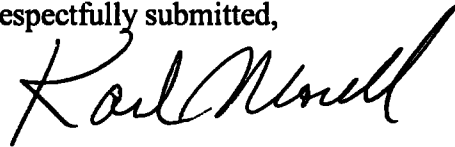
6. Environmental Report.

The Environmental Report containing information required by 49 C.F.R. § 1105.7(e) is attached hereto as Exhibit D. Based on information in PRCC's possession, the line does not contain federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

7. Historic Report.

The Historic Report containing information required by 49 C.F.R. § 1105.8 is attached hereto as Exhibit E.

Respectfully submitted,



Karl Morell
Of Counsel
Ball Janik LLP
1455 F St., N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

Attorney for:
PALOUSE RIVER & COULEE CITY
RAILROAD, INC.

Dated: July 22, 2009

**VERIFICATION AND CERTIFICATION THAT RAIL LINE MEETS
CRITERIA OF 49 C.F.R. SECTION 1152.50(b)**

I, Mark Blazer, being duly sworn depose and state that I am Senior Vice President of the Palouse River & Coulee City Railroad, Inc. ("PRCC"), that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.

I hereby certify that no local traffic has been handled to or from any customer over the segments of the PRCC's rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line, and milepost 85.91, in Moscow, Idaho; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street, in Moscow for at least two (2) years prior to the date hereof, and overhead traffic can be rerouted over other lines. Further, no formal complaint filed by a user of rail service on the lines (or a State or local government entity acting on behalf of such user) regarding cessation of service over the line segments either is pending with the Surface Transportation Board or any U.S. District Court or has been decided in favor of a complainant within the two-year period. The foregoing certification is made on behalf of PRCC by the undersigned after due and careful

investigation of the matters herein certified and based on the best of the knowledge, information,
and belief of the undersigned.

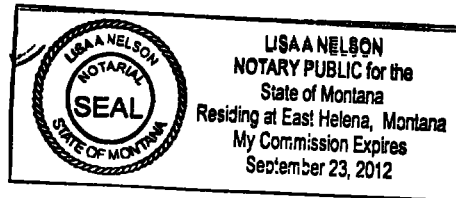
Mark Blazer
Mark Blazer

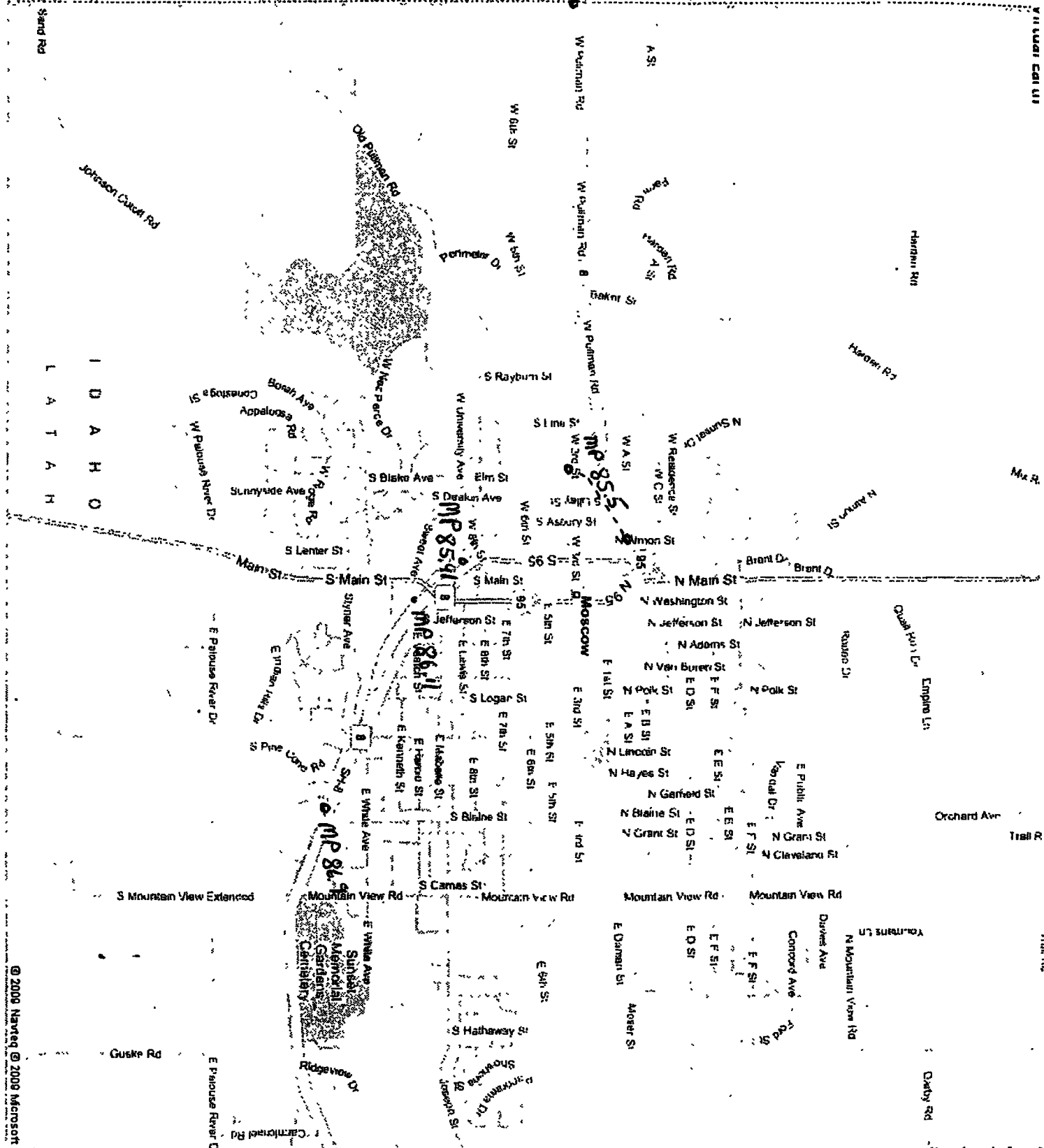
SUBSCRIBED AND SWORN TO before me this 20th day of July, 2009.

My Commission Expires: Sept. 23, 2012

County: Lewis & Clark

Lisa A Nelson
Notary Public





CERTIFICATE OF SERVICE

Pursuant to 49 C.F.R. § 1152.50(d) (1), the undersigned hereby certifies that notice of the proposed abandonment in STB Docket No. AB-570 (Sub-No. 3X) was mailed via first class mail on July 8, 2009 to the following parties:

State Public Service Commission

Commission Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, ID 83720-0074

Military Traffic Management Command

Headquarters
Military Surface Deployment and Distribution Command
Transportation Engineering Agency
ATTN: SDTE-SA (Railroads for National Defense)
709 Ward Drive, Building 1990
Scott AFB, IL 62225-5357

National Park Service

U.S. Department of Interior
National Park Service
Recreation Resources Assistance Division
1849 C Street, NW
Washington, DC 20240-0001

National Park Service

National Park Service
One Jackson Center
1111 Jackson Street, Suite 700
Oakland, CA 94607

U.S. Department of Agriculture

U.S. Department of Agriculture
Chief of the Forest Service
4th Floor N.W., Yates Building
201 14th Street, S.W.
Washington, DC 20250

Dated: July 22, 2009

A handwritten signature in black ink, reading "Karl Morell". The signature is written in a cursive style with a large, sweeping "K" and a long, horizontal stroke at the end.

Karl Morell

CERTIFICATE OF PUBLICATION

The undersigned hereby certifies that notice of the proposed abandonment in STB Docket No. AB-570 (Sub-No. 3X) was advertised on July 15, 2009 in the Moscow-Pullman Daily News, a newspaper of general circulation in Latah County, Idaho, as required by 49 C.F.R. § 1105.12.

Dated: July 22, 2009

A handwritten signature in black ink, appearing to read "Karl Morell", written over a horizontal line.

Karl Morell

**ENVIRONMENTAL REPORT
CERTIFICATE OF SERVICE**

Pursuant to the requirements of 49 C.F.R. § 1105.11, the undersigned hereby certifies that the transmittal letter was mailed to all agencies listed in 49 C.F.R. § 1105.7(b), via first class mail, on June 25, 2009. Pursuant to the requirements of 49 C.F.R. § 1105.7, the undersigned hereby further certifies that a copy of the Environmental Report in STB Docket No. AB-570 (Sub-No. 3X) was mailed, via first class mail, on June 25, 2009, to the following parties:

Commission Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, ID 83720-0074

Latah County Commissioners
P.O. Box 8068
Moscow, ID 83843

Mr. Jeff Burwell
State Conservationist
USDA Natural Resource Conservation Service
9173 W. Barnes Drive, Suite C
Boise, ID 83709

Jeffery L. Foss, Field Supervisor
U.S. Fish and Wildlife Service
1387 S. Vinnell Way Room 368
Boise, ID 83709

National Park Service
One Jackson Center
1111 Jackson Street, Suite 700
Oakland, CA 94607

Administrator
Department of Environmental Quality
1118 F Street
Lewiston, ID 83501

U.S. Environmental Protection Agency
1200 Sixth Avenue
Seattle, WA 98101

Mr. Duane E. Mitchell
U.S. Army Engineer District, Walla Walla
201 North Third Avenue
Walla Walla, WA 99362-1876

The National Geodetic Survey
Department of Commerce/NOAA
SSMC3
Station 9356
1315 E. West Highway
Silver Spring, MD 20910

Date: July 22, 2009


Karl Morell

**HISTORIC REPORT
CERTIFICATE OF SERVICE**

Pursuant to the requirements of 49 C.F.R. § 1105.8(c), the undersigned hereby certifies that a copy of the Historic Report in STB Docket No. AB-570 (Sub-No. 3X) was mailed via first class mail on June 25, 2009 to the following party:

Ms. Susan Pengilly
Deputy SHPO
Idaho State Historical Society
2205 Old Penitentiary Road
Boise, ID 83712-8250

Date: July 22, 2009


Karl Morell

**ENVIRONMENTAL REPORT
(49 C.F.R. 1105.7)
STB Docket No. AB-570 (Sub-No. 3X)
PALOUSE RIVER & COULEE CITY RAILROAD, INC.
--ABANDONMENT EXEMPTION--
IN LATAH COUNTY, IDAHO**

(1) Proposed Action and Alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Palouse River & Coulee City Railroad, Inc. ("PRCC"), proposes to abandon its rail lines located between: (1) milepost 84.0. at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street, in Moscow (the "Lines"). Upon receipt of abandonment authority, PRCC intends to remove the rail, track material, and ties. There is one small bridge on the Lines located at milepost 84.3, near the Washington-Idaho State Line. Local entities are interested in rail-banking all or most of the Lines. Consequently, PRCC will not remove or disturb the bridge and will leave the ballast in place.

The salvage process begins with the unbolting of the track materials and rails. With the use of specialized machinery placed on the railroad right-of-way, the rails and related track materials (angle bars, tie plates, spikes, switches and any other metal parts) are removed. Next the wooden ties are raised from the ballast with a tool designed for minimum disruption of ground material. The ballast, bridges and right-of-way will remain intact so as not to alter the prevailing water flows along the Lines. In addition, PRCC salvage contractors are required to

limit their activities to the width of the right-of-way and not to place fill or other material in water bodies. When the salvage process is complete, water flows in the area will not be disrupted.

The proposed abandonment will not change rail freight operations or maintenance practices on the Lines. No local or overhead traffic has been handled on the Lines for over two years. There currently are no active rail shippers located along the Lines.

The only alternative to abandonment would be not to abandon the Lines and force PRCC to absorb the opportunity costs of retaining these inactive Lines. This would not be a prudent use of carrier resources. The Lines are in poor condition and in need of substantial rehabilitation.

A map of the proposed abandonment is attached hereto as Exhibit 1.

(2) Transportation System. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

No passenger or freight traffic will be diverted to other modes as a result of the proposed abandonment. No local or overhead traffic has been handled on the Lines in over two years. Since the Lines no longer handle rail traffic, the proposed abandonment will have no adverse effects on regional or local transportation systems and patterns.

(3) Land Use. (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies. (ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land. (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 1105.9. (iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. § 10905 and explain why.

(i) PRCC does not consider the proposed abandonment to be inconsistent with existing land use plans. PRCC contacted the Latah County Commissioners. See Exhibit 2. No response to this inquire has been received to date. A copy of this Report has been mailed to the appropriate local and state agencies for their information and comment.

(ii) PRCC notified the USDA Natural Resources Conservation Service (“Conservation Service”) of the proposed abandonment and requested assistance in identifying any potential effects on prime agricultural land. See Exhibit 3. The Conservation Service “has no comments or concerns with the listed resources for the abandonment of these rail lines through the city of Moscow, Idaho.” See Exhibit 4. A copy of this Report is being supplied to the Conservation Service for its information and further comment.

(iii) The Lines do not pass through a designated coastal zone.

(iv) The Lines traverses an urban area that has an adequate road and highway network.

Therefore, there is little or no likelihood that the rail corridors are needed for a transit or highway corridor.

(4) Energy. (i) Describe the effect of the proposed action on transportation of energy resources. (ii) Describe the effect of the proposed action on recyclable commodities. (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why. (iv) If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

(i) The proposed abandonment will have no effect on the transportation of energy resources.

(ii) The proposed abandonment will have no effect on the transportation of recyclable commodities.

(iii) The proposed abandonment will have no effect on overall energy efficiency as no local or overhead traffic has been handled on the Lines for over two years.

(iv) The proposed abandonment will not cause any diversions of rail traffic to motor carriage, since no local or overhead traffic has been handled on the Lines for over two years.

(5) Air. (i) If the proposed action will result in either: (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. § 10901 (or § 10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in sub-section (5)(i)(A) will apply. (ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either: (A) an increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line; (B) an increase in rail yard activity of at least 20 percent (measured by carload activity); or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. § 10901 (or 49 U.S.C. § 10505), or a case involving the reinstitution of service over a previously abandoned line, only the three train a day threshold in this item shall apply. (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

(i) The proposed abandonment will not result in meeting or exceeding the specified thresholds.

(ii) The proposed abandonment will not result in meeting or exceeding the specified thresholds.

(iii) The proposed abandonment will not affect the transportation of ozone depleting materials.

(6) Noise. If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) an incremental increase in noise levels of three decibels Ldn or more; or (ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

Not applicable

(7) Safety. (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings). (ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials. (iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

(i) The proposed abandonment will have no detrimental effects on public health and safety. The removal of grade crossings and the associated signs and structures will enhance public safety by eliminating distractions to vehicular traffic crossing the Lines.

(ii) The proposed abandonment will not affect the transportation of hazardous materials.

(iii) There are no known hazardous material waste sites or sites where known hazardous material spills have occurred on or along the rail corridors of the Lines.

(8) Biological Resources. (i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects. (ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

(i) PRCC notified the U.S. Fish and Wildlife Service of the proposed abandonment and requested assistance in determining whether endangered or threatened species or areas designated as a critical habitat are likely to be adversely affected. See Exhibit 5. The U.S. Fish and Wildlife Service has identified one threatened species (Spalding's catchfly) in the project area. See Exhibit 6. The proposed abandonment and salvage operations will have no adverse effect on this threatened species. PRCC will not salvage the bridge and the ballast will remain intact. Consequently, the prevailing water flows will not be altered or impacted. Also the salvage contractor will be required to limit its activities to the width of the right-of-way and not to place fills or other material in the water bodies. A copy of this Report is being supplied to the U.S. Fish and Wildlife Service for its information and further comment.

(ii) PRCC does not believe that any wildlife sanctuaries or refuges, National or State parks or forests would be adversely affected by the proposed abandonment. PRCC notified the National Parks Service of the proposed abandonment and requested assistance in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests. See Exhibit 7. To date, no response to this request has been received. A copy of this Report is being supplied to the National Park Service for its information and comment.

(9) Water. (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies. (ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects. (iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.

(i) PRCC is confident that the proposed abandonment will be consistent with applicable water quality standards. PRCC contacted the Idaho Department of Environmental Quality (“DEQ”) and the U.S. Environmental Protection Agency concerning this matter requesting assistance in determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards. See Exhibit 8. To date, no response to these requests has been received. Nevertheless, PRCC continues to believe that the proposed abandonment and salvage operations will be consistent with applicable Federal, State and local water quality standards. The proposed abandonment will result in the removal of the rails, ties and track materials. The bridge and ballast will remain in place. Also, the salvage contractor will be required to limit its activities to the width of the right-of-way and not to place fill or other material in water bodies. A copy of this Report is being supplied to the U.S. Environmental Protection Agency and the DEQ for their information and comment.

(ii) PRCC is confident that no designated wetlands or 100-year flood plains will be adversely affected by the proposed abandonment. PRCC contacted the Corps of Engineers concerning these matters. See Exhibit 9. The Corps noted that an Army permit would be required for this project if it involved the discharge of dredged or fill material in waters of the United States. The Corps suggested that PRCC have the project area inspected by a qualified

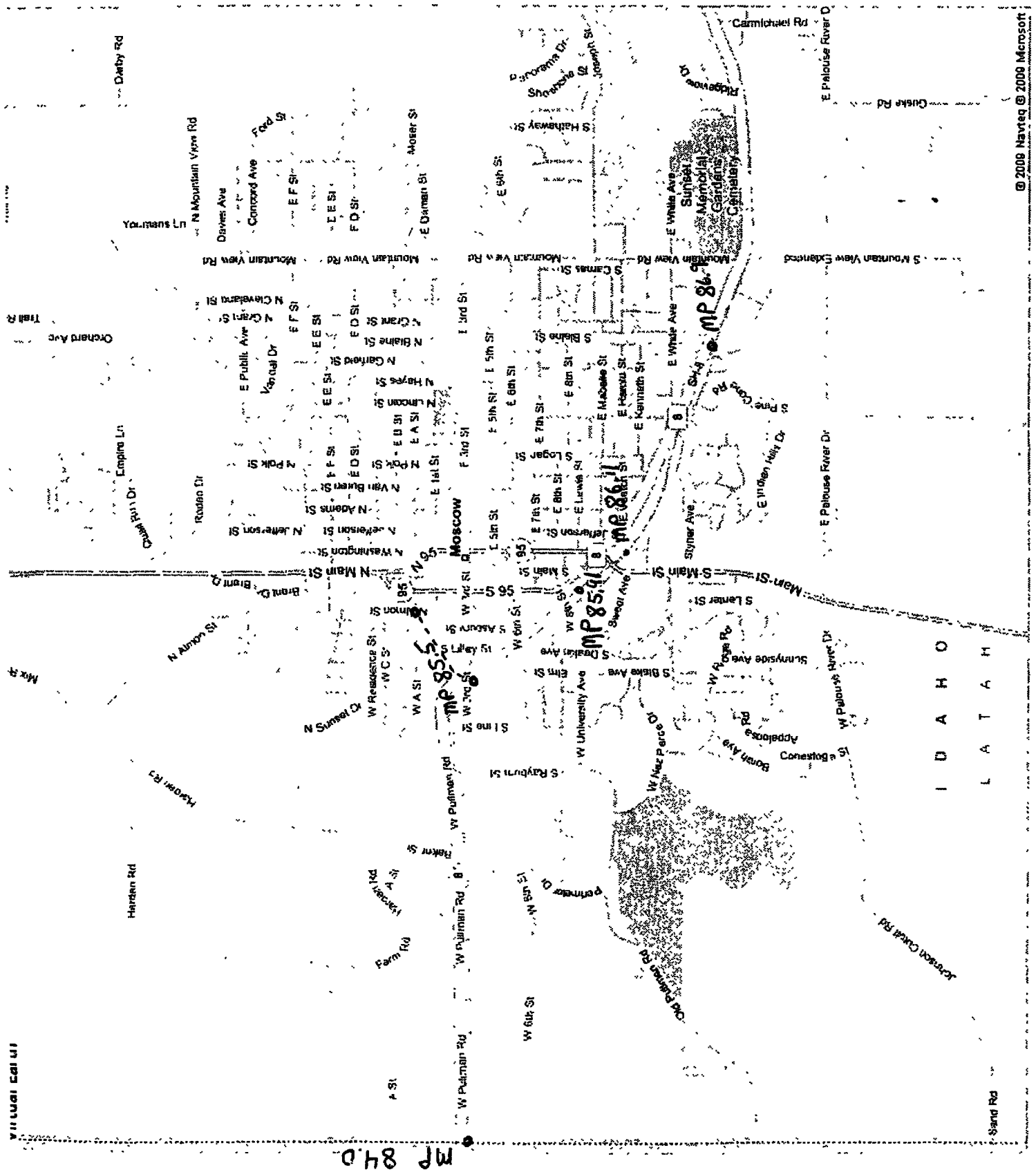
wetland consultant. See Exhibit 10. The proposed abandonment will result in the removal of the rails, ties and track materials. The bridge and ballast will remain in place. Also, the salvage contractor will be required to limit its activities to the width of the right-of-way and not to place fill or other material in water bodies. Consequently, there will be no discharge of dredged or fill into waters of the United States. A copy of this Report is being supplied to the U.S. Army Corps of Engineers for its information and further comment.

(iii) PRCC contacted the U.S. Environmental Protection Agency concerning this matter and requested assistance in identifying any potential effects on applicable water quality standards and determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards. See Exhibit 8. To date, no response to this request has been received. Nevertheless, PRCC continues to believe that the proposed abandonment and salvage operations will not require permits under Section 402. The proposed abandonment will result in the removal of the rails, ties and track materials. The bridge and ballast will remain in place. Also, the salvage contractor will be required to limit its activities to the width of the right-of-way and not to place fill or other material in water bodies. A copy of this Report is being supplied to the U.S. Environmental Protection Agency for its information and comment.

(10) Proposed Mitigation. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

PRCC does not expect any adverse environmental impact from the proposed abandonment and, therefore, sees no need for any mitigating actions. PRCC will, of course, adhere to any remedial actions suggested by the recipients of this Report and required by the Board.

EXHIBIT 1



BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

KARL MORELL
OF COUNSEL

kmorell@bjllp.com

May 8, 2009

Latah County Commissioners
P.O. Box 8068
Moscow, ID 83843

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.—Abandonment Exemption—In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on existing land use plans. We must determine whether the proposed abandonment is inconsistent with existing land use plans.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is fluid and cursive, with the first name "Karl" and last name "Morell" clearly distinguishable.

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

KARL MORELL
OF COUNSEL

kmorell@bjllp.com

May 8, 2009

USDA Natural Resources Conservation Service
9173 West Barnes Drive, Suite C
Boise, ID 83709

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.—Abandonment Exemption—In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on prime agricultural land.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009
Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Karl Morell". The signature is written in a cursive style with a large, stylized "K" and "M".

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.



Natural Resources Conservation Service
9173 W. Barnes Dr., Ste C
Boise, Idaho 83709
Phone: 208-378-5700
Fax: 208-378-5735

May 19, 2009

Karl Morell
Attorney for: Palouse River & Coulee City RR, Inc.
Ball Janik LLP
1455 F. Street, NW, Suite 225
Washington, D.C. 20005

Re: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City Railroad, Inc.—
Abandonment Exemption—In Latah County, Idaho.

Dear Mr. Morell,

This letter is in response to your May 8, 2009 request for information and comments on the above referenced project.

The resource impacts that the Natural Resources Conservation Service (NRCS) typically reviews and provides comments for, if necessary, include the following:

- Soil Suitability and limitations
- Erosion, sediment and dust control
- Water discharge from project area to off-site locations – Impact to water quality and irrigation systems
- Effects of disruption to natural drainage patterns
- Consideration for soil and water conservation management systems and measures on project and adjacent lands; and, Impacts on previously installed soil and water conservation management systems
- Prime and Unique Farmland
- Impacts on Ecosystems
- Impacts on other NRCS-related projects

The NRCS has no comments or concerns with the listed resources for the abandonment of these rail lines through the city of Moscow, Idaho. The proposed abandonment will occur within an existing transportation right-of-way. Soil suitability and effects to prime and unique farmland will not be changed nor otherwise affected. Erosion, sediment, dust and water control should be included within normal operating plans as required by federal and



state regulatory agencies. It is unlikely that there would be additional effects to plant communities, terrestrial and aquatic ecosystems, biodiversity, or fuel loads. There are no current or planned NRCS-related projects in that area.

If you have any questions, please contact Mark Weatherstone, Assistant State Conservationist - Technical Services at (208)378-5720 or email at mark.weatherstone@id.usda.gov.

Sincerely,


JEFF BURWELL
State Conservationist

cc:

Bob Tribelhorn, Assistant State Conservationist - Operations West, NRCS, Moscow, ID
Mark Weatherstone, Assistant State Conservationist - Technical Services, NRCS, Boise, ID

Darin Vrem, Cultural Resource Specialist/Archaeologist, NRCS, Boise, ID

Hal K. Swenson, Assistant State Soil Scientist, NRCS, Boise, ID

Bruce Knapp, Resource Soil Scientist, NRCS, Moscow, ID

Patrick Evans, District Conservationist, NRCS, Moscow, ID

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

EXHIBIT 5

KARL MORELL
OF COUNSEL

kmorell@bjllp.com

May 8, 2009

U.S. Fish and Wildlife Service
1387 S. Vinnell Way, Room 368
Boise, Idaho 83709

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.—Abandonment Exemption—In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in determining whether it is likely to adversely affect endangered or threatened species or areas designated as a critical habitat.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

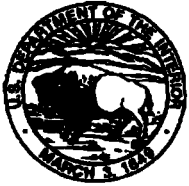
Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is fluid and cursive, with the first name "Karl" and last name "Morell" clearly distinguishable.

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.



United States Department of the Interior
IDAHO FISH AND WILDLIFE OFFICE

1387 S. Vinnell Way, Room 368
Boise, Idaho 83709
Telephone (208) 378-5243
<http://www.fws.gov/idaho>



MAY 29 2009

Karl Morell
Ball Janik LLP
1455 F Street, NW Suite 225
Washington, D.C. 20005

Subject: Palouse River and Coulee City Railroad, Inc. Abandonment Exemption—Latah
County, Idaho—Species List
970.3000 14420-2009-SL-0390

Dear Mr. Morell:

The Fish and Wildlife Service (Service) is providing you with a list of endangered, threatened, proposed, and/or candidate species, and designated critical habitat which may occur in the area of the abandonment exemption. You requested this list by letter on May 8, 2009. Please refer to the species list number 14420-2009-SL-0390 shown above in all correspondence and reports.

Non-Federal Lands and Section 7

Section 7 of Endangered Species Act of 1973 (Act), as amended, requires Federal agencies to assure that their actions do not jeopardize any listed species and provides a process for exemption of take for Federal agencies. Although your project is located on non-Federal lands, if there is a Federal action (funding, permitting, or direct action) associated with your project, the Federal agency is required to consult with the Service if the action may affect a listed species. Section 7 regulations also allow for applicants to be involved in the consultation process. For instance, a Federal agency may designate you or another non-Federal entity to represent them in an informal consultation.

The enclosed list fulfills the requirements for a species list under section 7(c) of the Act. If the project decision has not been made within 180 days of this letter, regulations require that you request an updated list. More information on the regulations and procedures for section 7 consultation, including the role of permit or license applicants, can be found in the "Endangered Species Consultation Handbook" at <http://www.fws.gov/endangered/consultations/s7hndbk/s7hndbk.htm> (last accessed May 26, 2009). Section 7 consultation information specific to Idaho-listed species can also be found on the Idaho Fish and Wildlife Office website at <http://www.fws.gov/idaho/agencies.htm> (last accessed May 26, 2009).


Karl Morell
Palouse River and Coulee City Railroad, Inc. Abandonment Exemption

Voluntary Agreements for Species Conservation on Private Lands

The Act includes provisions for the conservation of listed species on both Federal and non-Federal lands. A private landowner may wish to enter into an agreement with the Service under section 10 of the Act for activities that benefit listed, proposed, and candidate species. Voluntary agreements such as Safe Harbor Agreements or Candidate Conservation Agreements contribute to the conservation of listed, proposed, or candidate species while allowing for management activities on non-Federal lands. In addition, Section 9 of the Act prohibits the "taking" of any listed species without an exemption (issued by the Service) for that take¹. For private landowners, that exemption is developed through the permit process of Section 10 (through a Habitat Conservation Plan) of the Act. More information on the various mechanisms for take exemption available to private landowners under the Act can be found at <http://www.fws.gov/idaho/Landowners.htm> (last accessed May 26, 2009).

If you have any questions about your responsibilities under the Act, or require further information, please contact Barbara Chaney at the Idaho Fish and Wildlife Office at (208) 378-5259. For information on conservation opportunities under section 10 of the Act, contact Conservation Planning Branch Chief Kendra Womack at the Idaho Fish and Wildlife Office at (208) 685-6951. Thank you for your continued interest in endangered species conservation.

Sincerely,



Jeffery L. Foss, State Supervisor
Idaho Fish and Wildlife Office

Enclosure

¹ Take of threatened or endangered animal species is defined as: harass, harm, pursue, hunt, shoot, wound, kill, trap, capture or collect, or to attempt to engage in any such conduct. Harm is further defined by the Service to include significant habitat modification or degradation that results in death or injury to listed species by significantly impairing essential behavioral patterns, including breeding, feeding, or sheltering. Harass is defined by the Service as an intentional or negligent act or omission which creates the likelihood of injury to wildlife by annoying it to such an extent as to significantly disrupt normal behavior patterns which include, but are not limited to, breeding, feeding, or sheltering.



PALOUSE RIVER AND COULEE CITY RAILROAD, INC.
ABANDONMENT EXEMPTION
LATAH COUNTY, IDAHO
SPECIES LIST 14420-2009-SL-0390

LISTED SPECIES	STATUS
Spalding's catchfly (<i>Silene spaldingii</i>)	Listed Threatened
PROPOSED SPECIES & PROPOSED/DESIGNATED CRITICAL HABITAT	
None	
CANDIDATE SPECIES ²	
None	

Information on the above species and their management can be found on the Environmental Conservation Online System (ECOS) website at http://ecos.fws.gov/ecos_public/index.do (last accessed May 26, 2009) and the Idaho Fish and Wildlife Office website at <http://www.fws.gov/idaho/agencies.htm> (last accessed May 26, 2009).

²Candidate species have no protection under the Act, but are included for your early planning consideration. Candidate species could be proposed or listed during the project planning period, and would then be covered under Section 7 of the Act. The Service advises an evaluation of potential effects on candidate species that may occur in the project area.

May 2009

BALL JANIK LLP

A T T O R N E Y S

**1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005**

www.balljanik.com

**TELEPHONE 202-638-3307
FACSIMILE 202-783-6947**

**KARL MORELL
OF COUNSEL**

kmorell@bjllp.com

May 8, 2009

**National Park Service
One Jackson Center
1111 Jackson Street, Suite 700
Oakland, CA 94607**

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.--Abandonment Exemption--In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karl Morell".

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

KARL MORELL
OF COUNSEL

kmorell@bjllp.com

May 8, 2009

Administrator
Department of Environmental Quality
1118 F Street
Lewiston, ID 83501

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.—Abandonment Exemption—In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on applicable water quality standards. We also seek your assistance in determining whether the proposed abandonment is consistent with applicable Federal, State or local water quality standards. PRCC does not believe any permits under Section 402 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

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Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638 3307
FACSIMILE 202-783-6947

KARL MORELL
OF COUNSEL

kmorclt@bjllp.com

May 8, 2009

U.S. Environmental Protection Agency
1200 Sixth Avenue
Seattle, WA 98101

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.—Abandonment Exemption—In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on applicable water quality standards. We also seek your assistance in determining whether the proposed abandonment is consistent with applicable Federal, State or local water quality standards. PRCC does not believe any permits under Section 402 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

BALL JANIK LLP

May 8, 2009

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

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Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307

FACSIMILE 202-783-6947

EXHIBIT 9

KARL MORELL
OF COUNSEL

kmorcll@bjllp.com

May 8, 2009

U.S. Army Engineer District, Walla Walla
201 North Third Avenue
Walla Walla, WA 99362-1876.

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.--Abandonment Exemption--In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on designated wetlands or 100-year flood plains. PRCC does not believe any permits under Section 404 of the Clean Water Act will be required.

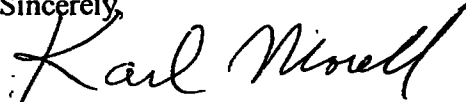
We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is written in a cursive, flowing style.

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
WALLA WALLA DISTRICT, CORPS OF ENGINEERS
201 NORTH THIRD AVENUE
WALLA WALLA, WASHINGTON 99362-1876

EXHIBIT 10

June 5, 2009

Regulatory Division

SUBJECT: NWW-2009-322-W04

Mr. Karl Morell
Ball Janik, LLP
1455 F Street, NW
Suite 225
Washington, D.C. 20005

Dear Mr. Morell:

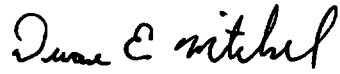
This is in response to your May 8, 2009 letter requesting our comments on the Palouse River & Coulee City Railroad's abandonment of rail lines between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, Idaho; (2) milepost 86.11 and milepost 86.9 in Moscow; and (3) mile post 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. Section 404 of the Clean Water Act (33 U.S.C. 1344) requires a Department of the Army permit be obtained for the discharge of dredged or fill material into waters of the United States. This includes most perennial and intermittent rivers and streams, natural and man-made lakes and ponds, and wetlands, as well as irrigation and drainage canals and ditches that are tributaries to other waters, requires a Department of the Army permit be obtained for any structures or work in or affecting navigable waters of the United States. Paradise Creek is a water regulated under Section 404. Activities regulated under Section 404 include excavation and mechanized land clearing activities which result in the discharge of dredged material and destroy or degrade waters of the United States.

Based on the information provided, we are unable to determine if the proposed project will involve any work subject to our jurisdiction. We would suggest you have the project area inspected by a qualified wetland consultant to determine if the proposed project will involve work in such areas. If it does, you should then have these areas identified and delineated and submitted for our review and approval. We would also suggest you select someone who is knowledgeable in the methods we use for delineating jurisdictional wetlands. Enclosed for your information are our requirements for preparing wetland delineations and a list of consultants who may be able to assist you.

If the proposed project will involve the discharge of dredged or fill material in waters of the United States, including wetlands, a Department of the Army permit may be required prior to the start of construction. If so, you will need to complete and submit a permit application for processing and evaluation. Please be advised that starting work before obtaining the required

Department of the Army permit constitutes a violation of Section 404 and could result in legal action. If you have any questions concerning these regulatory matters, please contact me at 509-527-7156 (fax 509-527-7823).

Sincerely,

A handwritten signature in cursive script that reads "Duane E. Mitchell".

Duane E. Mitchell
Regulatory Project Manager

Enclosures

**HISTORIC REPORT
(49 C.F.R. 1105.8)
STB Docket No. AB-570 (Sub-No. 3X)
PALOUSE RIVER & COULEE CITY RAILROAD, INC.
--ABANDONMENT EXEMPTION--
IN LATAH COUNTY, IDAHO**

The Historic Report should contain the information required by 1105.7(e)(1) of the Environmental Report. The following is excerpted from the Environmental Report prepared for the proposed abandonment:

Proposed Action and Alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Palouse River & Coulee City Railroad, Inc. ("PRCC"), proposes to abandon its rail lines located between: (1) milepost 84.0. at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street, in Moscow (the "Lines"). Upon receipt of abandonment authority, PRCC intends to remove the rail, track material, and ties. There is one small bridge on the Lines located at milepost 84.3, near the Washington-Idaho State Line. Local entities are interested in rail-banking all or most of the Lines. Consequently, PRCC will not remove or disturb the bridge and will leave the ballast in place.

The salvage process begins with the unbolting of the track materials and rails. With the use of specialized machinery placed on the railroad right-of-way, the rails and related track materials (angle bars, tie plates, spikes, switches and any other metal parts) are removed. Next the wooden ties are raised from the ballast with a tool designed for minimum disruption of

ground material. The ballast, bridges and right-of-way will remain intact so as not to alter the prevailing water flows along the Lines. In addition, PRCC salvage contractors are required to limit their activities to the width of the right-of-way and not to place fill or other material in water bodies. When the salvage process is complete, water flows in the area will not be disrupted.

The proposed abandonment will not change rail freight operations or maintenance practices on the Lines. No local or overhead traffic has been handled on the Lines for over two years. There currently are no active rail shippers located along the Lines.

The only alternative to abandonment would be not to abandon the Lines and force PRCC to absorb the opportunity costs of retaining these inactive Lines. This would not be a prudent use of carrier resources. The Lines are in poor condition and in need of substantial rehabilitation.

A map of the proposed abandonment is attached hereto as Exhibit 1.

HISTORIC REPORT

- 1. A U.S.G.S. topographic map (or alternate map drawn to scale and sufficiently detailed to show buildings and other structures in the vicinity of the proposed action) showing the location of the proposed action, and the locations and approximate dimensions of railroad structures that are 50 years old or older and are part of the proposed action;**

A map and the identification of all structures on the Lines that may be 50 years old or older have been supplied to the Idaho State Historical Society ("IHS"). See Exhibit 2.

- 2. A written description of the right of way (including approximate widths, to the extent known), and the topography and urban and/or rural characteristics of the surrounding area;**

The rights-of-way are of varying widths. The Lines are located within the city limits of Moscow, Idaho near the University of Idaho. The Lines are located between: (1) milepost 84.0 at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street, in Moscow.

3. Good quality photographs (actual photographic prints, not photocopies) of railroad structures on the property that are 50 years old or older and of the immediate surrounding area;

In the May 8, 2009, letter to the IHS PRCC mistakenly stated that there were two bridges on the Lines. Upon further review, there is actually only one bridge on the Lines located at milepost 84.3, or 0.3 miles east of the Washington-Idaho State line. The two pictures attached to the May 8th letter are actually of the same bridge. See Exhibit 2. The bridge and the Lines were originally constructed in 1890. Most of the components of the bridge have been replaced over the years. Attached as Exhibit 3 is a map showing the location of the bridge. There is a former railroad bridge adjacent to the western end of the Lines associated with a former parallel rail line. That bridge, however, is now part of the Latah Trail and is not associated with the abandonment of the Lines. A picture of that bridge is attached as Exhibit 4.

4. The date(s) of construction of the structure(s), and the date(s) and extent of any major alterations, to the extent such information is known;

The bridge located on the Lines was originally constructed in 1890, but most of the components have been replaced over the years. PRCC is not in possession of any engineering documents regarding the maintenance or repairs of this bridge.

- 5. A brief narrative history of carrier operations in the area, and an explanation of what, if any, changes are contemplated as a result of the proposed action;**

No traffic has moved over the Lines for over two years. The last active rail shipper on the Lines was Ferrell Gas. As a result, the involved Lines are no longer required for rail operations. PRCC is of the opinion that rehabilitation of the Lines cannot be economically justified. Since the Lines are not being used, no change to current transportation patterns are anticipated upon the abandonment of the Lines.

- 6. A brief summary of documents in the carrier's possession, such as engineering drawings, that might be useful in documenting a structure that is found to be historic;**

There are no available individual drawings for the bridge on the Lines. The bridge is quite common in design and construction and are of no historical significance. It is typical of many small bridges and underpasses found throughout North America. In any event, the bridge will remain undisturbed as a result of the proposed abandonment.

- 7. An opinion (based on readily available information in the railroad's possession) as to whether the site and/or structures meet the criteria for listing on the National Register of Historic Places (36 C.F.R. 60.4), and whether there is a likelihood of archeological resources or any other previously unknown historic properties in the project area, and the basis for these opinions (including any consultations with the State Historic Preservation Office, local historical societies or universities);**

In PRCC's view, the bridge is quite common in design and construction. It has no historical significance as to the history of railroad construction or operation. It is a common structure found on numerous railroads throughout North America. There are also no known

archeological resources in the project area. Attached as Exhibit 5 is the response PRCC received from the IHS.

- 8. A description (based on readily available information in the railroad's possession) of any known prior subsurface ground disturbance or fill, environmental conditions (naturally occurring or manmade) that might affect the archeological recovery of resources (such as swampy conditions or the presence of toxic waste), and the surrounding terrain.**

There are no existing records as to the nature of any known subsurface ground disturbance or fill, or environmental condition that might affect the archeological recovery of any potential resources.

- 9. Within 30 days of receipt of the historic report, the State Historic Preservation Officer may request the following additional information regarding specific non railroad owned properties or groups of properties immediately adjacent to the railroad right-of-way: photographs of specified properties that can be readily seen from the railroad right-of-way (or other public rights-of-way adjacent to the property) and a written description of any previously discovered archeological sites, identifying the location and type of the site (i.e. prehistoric or native American).**

PRCC does not foresee the likelihood that any additional information will need to be supplied in association with the proposed line abandonment other than that information previously submitted. But, if any additional information is requested, PRCC will promptly supply the necessary information.

EXHIBIT 1

mp 84.0

I D A H O
L A T A H

© 2008 Navteq © 2008 Microsoft

BALL JANIK LLP

A T T O R N E Y S

**1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005**

www.balljanik.com

**TELEPHONE 202-638-3307
FACSIMILE 202-783-6947**

**KARL MORELL
OF COUNSEL**

kmorell@bjllp.com

May 8, 2009

**Idaho State Historical Society
2205 Old Penitentiary Road
Boise, ID 83712**

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.--Abandonment Exemption--In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. One of the requirements for this filing with the STB is that the owner of the rail lines contact the State Historic Preservation Office regarding the proposed abandonment.

Enclosed is a map depicting the area where the rail lines are located. The proposed abandonment will involve the removal of the rail, track material, and crossties; however, there are currently no plans to remove any existing structures along the track.

The lines to be abandoned are within the city limits of Moscow, Idaho. The first line begins at milepost 84.0, at the Washington-Idaho State Line, and extends eastward past the sewage treatment plant, then parallel to the Latah Trail and then runs adjacent to the University of Idaho to milepost 85.91 west of Highway 95. The second line begins at milepost 86.11, immediately east of Highway 95 and extends eastward to Blaine Street. The third line begins at milepost 85.5 of the first line, and extends generally in a northeasterly direction to the intersection of A Street and Almon Street.

There are two bridges on the first line of unknown age. There are no bridges or other railroad structures on the second or third line. A photograph of each bridge is attached. The first

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bridge is located at milepost 84.3. The second bridge is located between the State Line and the sewage treatment plant. Both structures are quite common in design and construction and, in PRCC's view, have no historical significance.

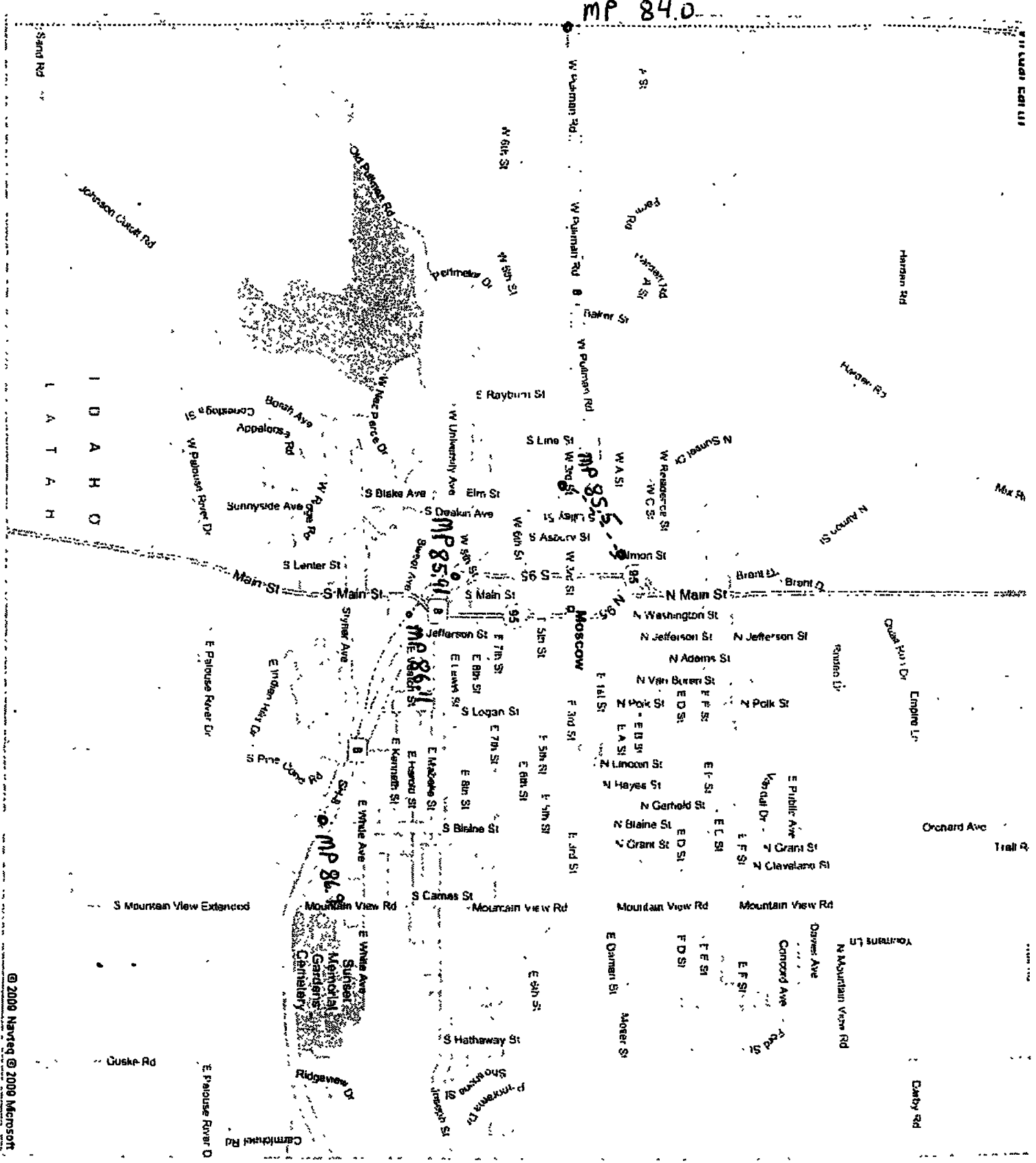
We will send you a copy of the Historic Report as soon as it is completed. If I can of further assistance regarding this matter, please call me at (202) 638-3307.

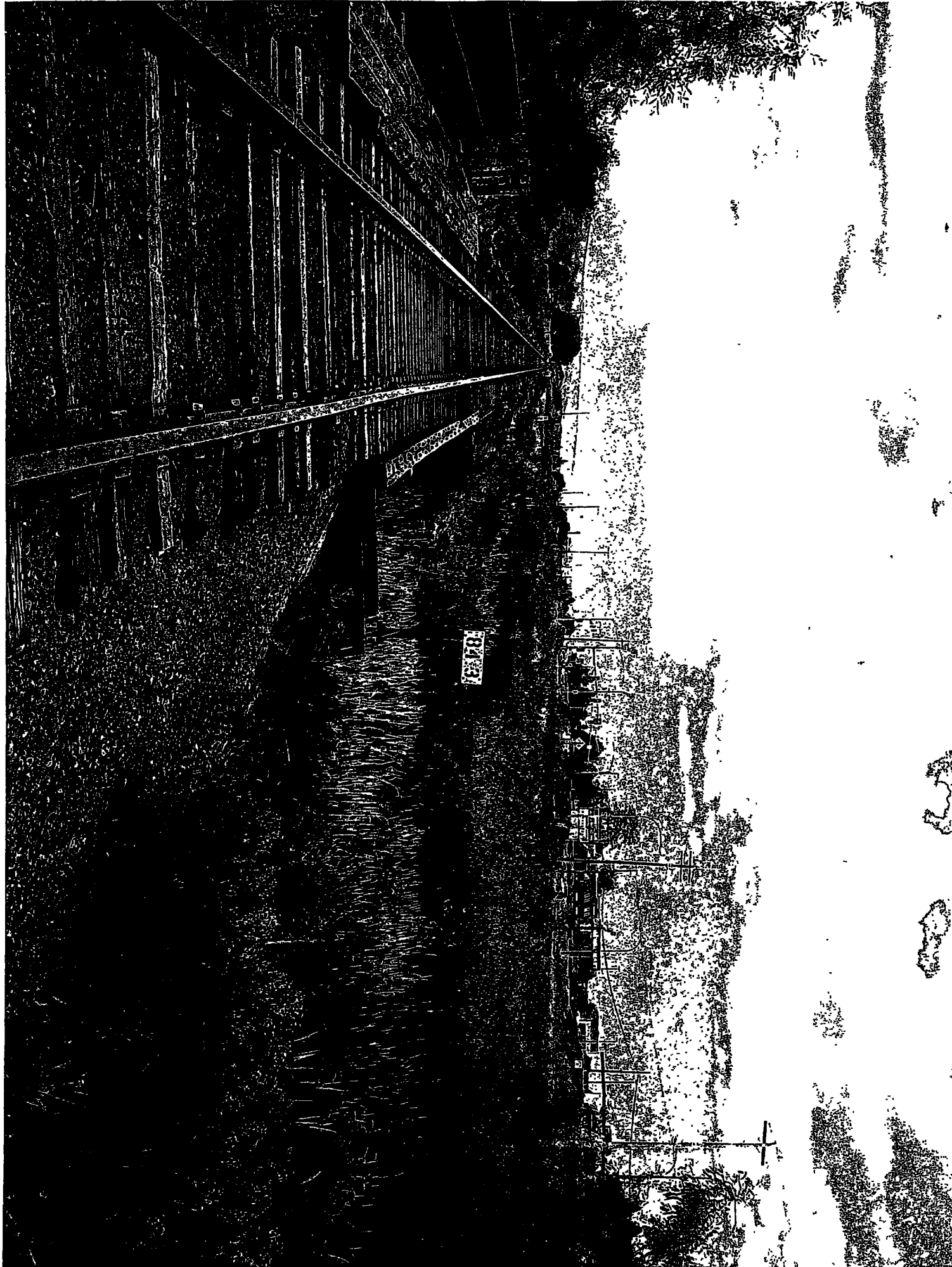
Sincerely,

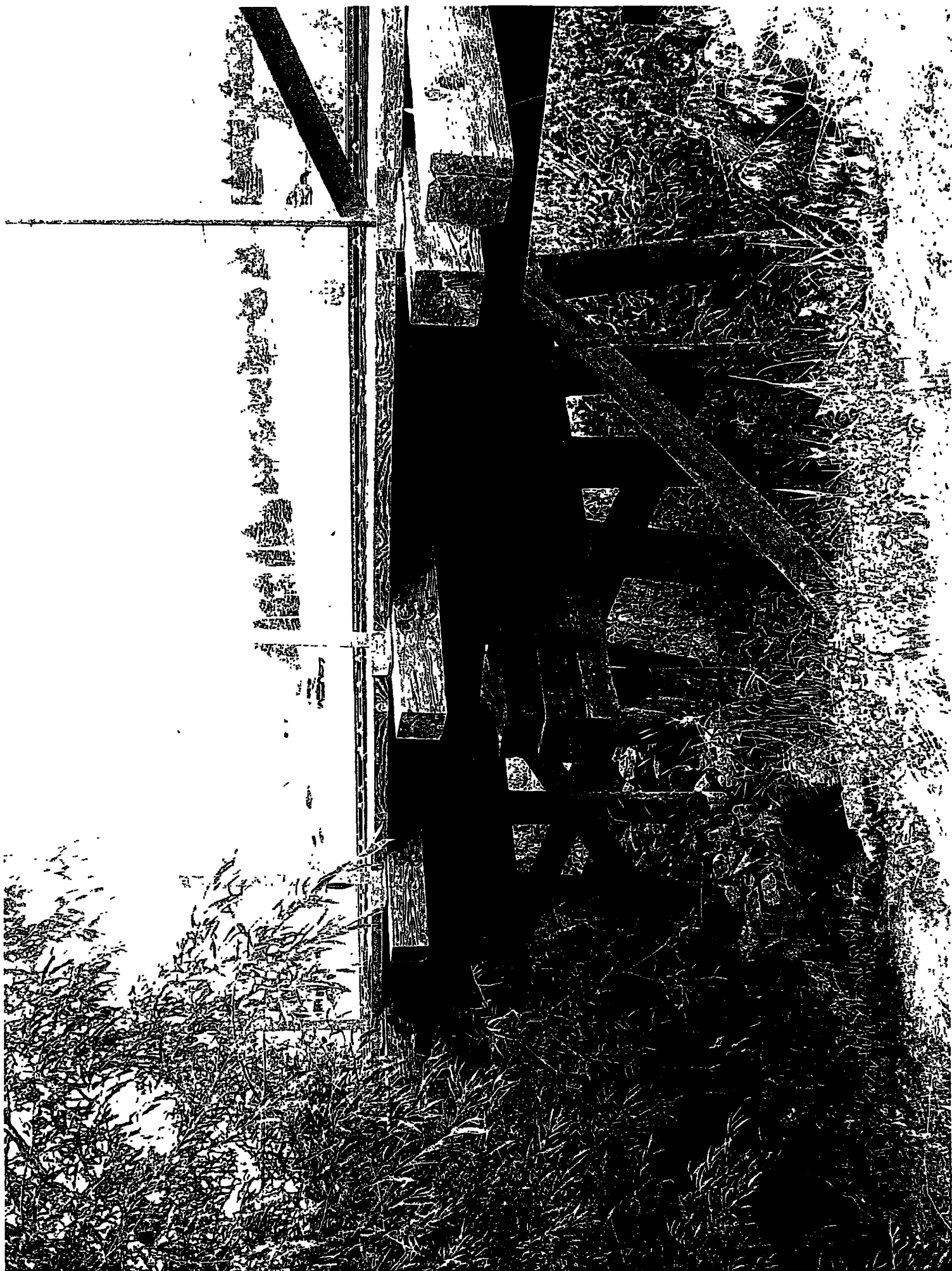
A handwritten signature in black ink, appearing to read "Karl Morell", written in a cursive style.

Karl Morell
Attorney for
Palouse River & Coulee City Railroad, Inc.

MP 84.0







46°45'

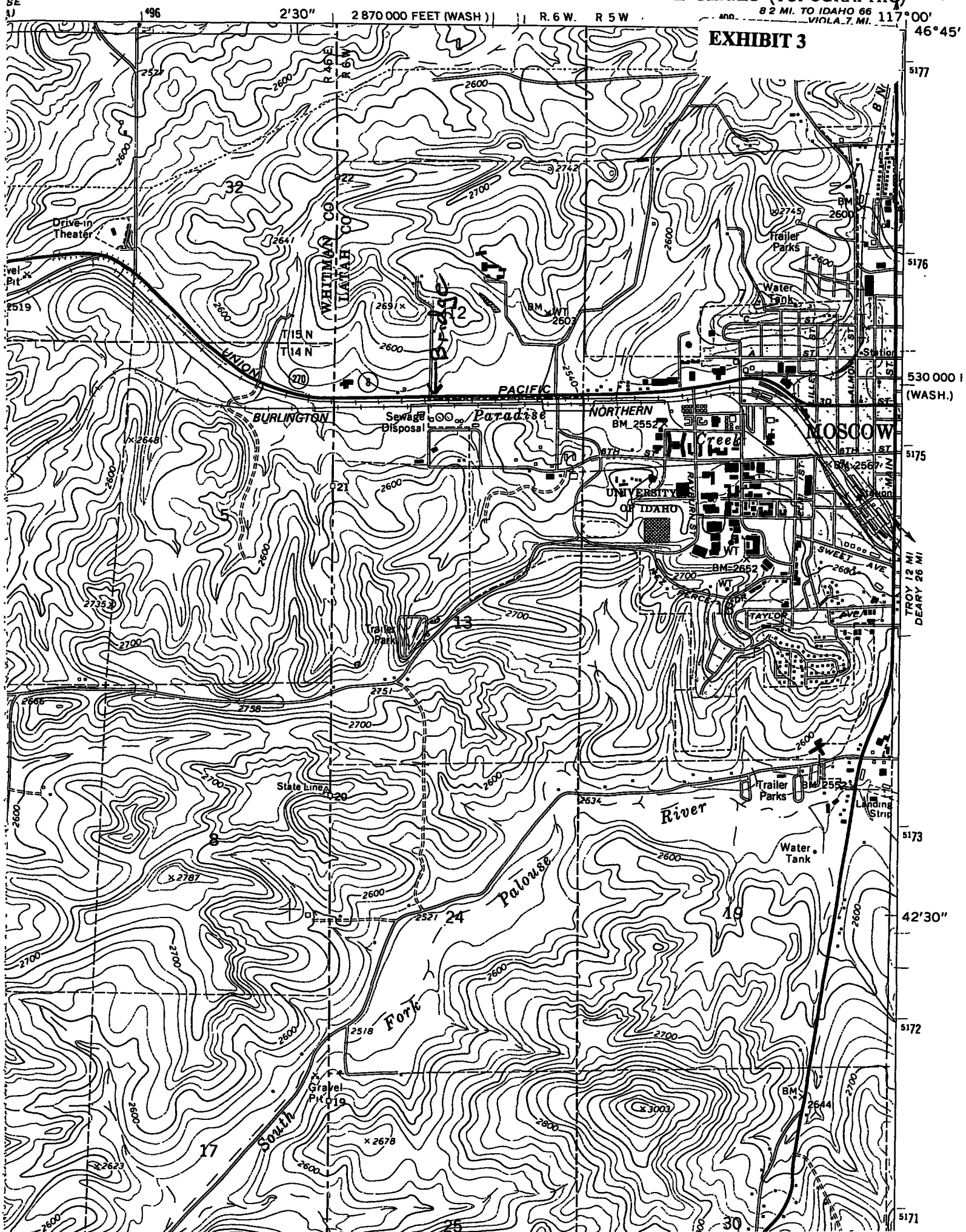
EXHIBIT 3





EXHIBIT 5

May 18, 2009

Karl Morell
Ball Janik LLP
1455 F Street NW, Ste 225
Washington DC 20005

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Administration
2205 Old Penitentiary Road
Boise, Idaho 83712-8250
Office (208) 334-2682
Fax (208) 334-2774

Archaeological Survey of Idaho
210 Main Street
Boise, Idaho 83702-7264
Office (208) 334-3847
Fax (208) 334-2775

Historical Museum and
Education Programs
610 North Julia Davis Drive
Boise, Idaho 83702-7695
Office (208) 334-2120
Fax (208) 334-4059

Historic Preservation Office
210 Main Street
Boise, Idaho 83702-7264
Office (208) 334-3861
Fax (208) 334-2775

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Fax (208) 334-3198

RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc. – Abandonment Exemption – in Latah County, Idaho.

Dear Mr. Morell,

Thank you for your letter and information of May 8 regarding the proposed
abandonment and the eligibility of the two bridges for the National Register
of Historic Places.

Although it appears that neither bridge meets National Register eligibility
criteria, we will need to receive completed historic site forms (Idaho Historic
Sites Inventory form, or equivalent) for the two bridges as well as the stretch
of line to be abandoned before we can complete the evaluation. At a
minimum, we will need approximate dates of construction (of the railroad
line and the bridges) and maps which pinpoint the locations of the bridges.

As soon as we receive the above information, we can complete our review.

Sincerely,

Susan Pengilly
Deputy State Historic Preservation Officer



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